

STATE PUBLIC WORKS BOARD

915 L Street, Ninth Floor
Sacramento, CA 95814-3701
(916) 445-9694

STATE PUBLIC WORKS BOARD

February 14, 1997

MINUTES**PRESENT:**

Theresa Parker, Chief Deputy Director, Department of Finance
Peter Stamison, Department of General Services
Steve Spears Lucas, State Treasurer's Office
Rick Chivaro, State Controller's Office

ABSENT:

Department of Transportation
Director, Employment Development Department, Advisory Member
Assembly Member, Legislative Advisor
Assembly Member, Legislative Advisor
Assembly Member, Legislative Advisor
Senator Quentin L. Kopp, Legislative Advisor
Senator Leroy F. Greene, Legislative Advisor
Senator Richard G. Polanco, Legislative Advisor

STAFF PRESENT:

Shelley Mateo, Administrative Secretary, State Public Works Board
Veronica Chung-Ng, Analyst, Department of Finance
Peggy Palmertree, Secretary, State Public Works Board

CALL TO ORDER AND ROLL CALL:

The meeting was called to order by Ms. Theresa Parker, Chairperson, Chief Deputy Director, Department of Finance at 10:05 a.m. Ms. Shelley Mateo, Administrative Secretary for the State Public Works Board called the roll. A quorum was established.

APPROVAL OF MINUTES:

Ms. Mateo reported staff had reviewed the January 16, 1997 minutes and believed them to accurately reflect the Board's proceedings at the meeting and recommended approval.

Hearing no objections, the minutes of January 16, 1997 were unanimously approved.

BOND ISSUES:

Ms. Mateo noted there are three bond items, one refunding bond item and two for California Community Colleges. The first item is a request to approve a resolution authorizing the refinancing of eight PWB lease-revenue issuance: 1990 Series A, 1992 Series A, and 1994 Series A for the California State University; 1992 Series A and 1994 Series B for the University of California; 1991 Series A for the Department of Corrections; and 1991 Series A for the Franchise Tax Board Central Office Project, Phase II.

Ms. Mateo reported that it is the Board's practice to proceed with refinancings which produce at least a three percent net present value savings over the original financings. Ms. Mateo indicated that in some instances this requirement is waived for a portion of the maturities within an issue if the balance of the maturities merit refinancing. The issues proposed for refinancing will meet this general criteria at the time of financing, or the State Treasurer will defer sale until market conditions are more favorable.

Ms. Mateo also noted that because the State Treasurer's Office needs to make real-time market judgments, the office requests an authority to proceed which is not date-restricted. At this time, seven of the eight proposed refinancings are not yet economic. The one that is ready is the 1992 Series A for California State University.

Ms. Mateo indicated that the State Treasurer will proceed only with those refinancings which are economic, and defer to a later date those which require more favorable market conditions. The resolution will allow the State Treasurer to re-enter the market at a later time. Staff recommends your approval of the resolution.

Ms. Parker, Mr. Spears and Mr. Stamison had a discussion on how the refinancing would be handled and when the other bonds would be available for refinancing.

A motion was made by Mr. Spears and seconded by Mr. Chivaro to approve Agenda item #1 of the bonds calendar was unanimously adopted.

Ms. Mateo indicated that items #2 and #3 are requests for the California Community Colleges, to adopt resolutions authorizing lease revenue bonds, the forms of documents supporting the sale, and interim financing. Staff recommends your approval and suggests a single motion covering agenda items #2 and #3. Ms. Parker asked for any questions or discussions. As there were none a motion was called.

A motion was made by Ms. Stamison and seconded by Mr. Chivaro to approve Agenda items #2 and #3 of the bonds calendar were unanimously adopted.

CONSENT CALENDAR:

Ms. Mateo indicated a late withdrawal of item #4 on the Consent Calendar which now covers agenda Items #5 through #12. Two requests are for energy service contracts, 1 California State University request to approve preliminary plans, and 5 requests from the Community Colleges to approve preliminary plans. All projects are within scope and cost. There are no related 20-day letters. Staff recommends approval of the consent calendar, items #5 through #12 inclusive.

A motion was made by Mr. Stamison and seconded by Ms. Parker to approve Agenda items #5 through #12 of the consent calendar were unanimously approved.

ACTION ITEMS:

Ms. Mateo indicated there were no action items.

OTHER BUSINESS

Ms. Mateo noted there was one item for Other Business which is an information item from staff advising the board of staff's intent to secure the services of a financial advisor, to obtain a debt service calculation model, to begin a review of PWB information requirements as a preliminary to a possible information management system proposal for PWB projects, and to provide debt financing training for the staff. This would take some of the work load off of the Assistant Administrative Secretary. Ms. Mateo noted the proposed expenditures have been reviewed by special counsel to the PWB (Orrick, Herrington & Sutcliffe) and that the charges would be handled in the same manner as existing PWB expenses.

REPORTABLES:

Ms. Mateo reported there were 8 reportable items for the month of January 1997.

NEXT MEETING:

Ms. Mateo noted that the next regular PWB meeting was scheduled for March 14, 1997 at 10:00 a.m.

Having no further business, the meeting was adjourned at 10:13 a.m.

BOND ITEMS

REFUNDING LEASE REVENUE BONDS

CALIFORNIA STATE UNIVERSITY

1990 SERIES A, 1992 SERIES A, AND 1994 SERIES A

UNIVERSITY OF CALIFORNIA

1992 SERIES A, 1994 SERIES A, AND 1994 SERIES B

CALIFORNIA DEPARTMENT OF CORRECTIONS

1991 SERIES A

FRANCHISE TAX BOARD CENTRAL OFFICE PROJECT – PHASE II

1991 SERIES A

*Authority: State Building Construction Act of 1955, Title 2, Division 3, Part 10b
California Government Code*

1. Refund Lease-Revenue Bonds Various Projects -- California State University 1990 Series A, 1992 Series A, and 1994 Series A, University of California 1992 Series A, 1994 Series A, and 1994 Series B, California Department of Corrections 1991 Series A, and Franchise Tax Board Central Office Project –Phase II, 1991 Series A.
 - a. Adopt a resolution to include the following:
 - (1) Authorize the sale of bonds to refund the State Public Works Board (SPWB) Lease-Revenue Bonds—1990 Series A, 1992 Series A, and 1994 Series A, (California State University), 1992 Series A, 1994 Series A, and 1994 Series B, (University of California), 1991 Series A, (California Department of Corrections), and 1991 Series A (Franchise Tax Board Central Project - Phase II).
 - (2) Approve the form of and authorize the delivery of amendments to Site Leases, as needed.
 - (3) Approve the form of and authorize the delivery of amendments to Facility Leases, as needed.
 - (4) Approve the form of and authorize the delivery of amendments to Construction Agreements, as needed.
 - (5) Approve the form of and authorize the execution of an Indenture with the State Treasurer.
 - (6) Approve the form of and authorize the execution and delivery of Preliminary Official Statement and Official Statement.
 - (7) Approve other related actions in connection with the authorization, issuance, sale, and delivery of said refunding lease revenue bonds.

Approved.

CALIFORNIA COMMUNITY COLLEGES (6870)

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT LOMPOC VALLEY CENTER SANTA BARBARA COUNTY

Authority: Chapter 303/95, Item 6870-301-660(.5)

Total construction cost: \$18,509,000

2. Phase I Facilities - Construction

a. Adopt a resolution to include the following:

- (1) Authorize the sale of SPWB Lease Revenue Bonds.
- (2) Approve the form of and authorize the execution of the Site Lease between the Trustees of the Allan Hancock Joint Community College District and the SPWB.
- (3) Approve the form of and authorize the execution of the Facility Lease between the Trustees of the Allan Hancock Joint Community College District and the SPWB.
- (4) Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund from proceeds of the sale of bonds.

Approved.

**CITRUS COMMUNITY COLLEGE DISTRICT
CITRUS COLLEGE
LOS ANGELES COUNTY**

Authority: Chapter 303/95, Item 6870-301-660(11)

Total equipment cost:

\$1,597,000

3. Recording Arts Addition/Remodel - Equipment

a. Adopt a resolution to include the following:

- (1) Authorize the sale of SPWB Lease Revenue Bonds.
- (2) Approve the Equipment Lease between the Trustees of the Citrus Community College District and the SPWB.
- (3) Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund from proceeds of the sale of bonds.

Approved.

CONSENT ITEMS

DEPARTMENT OF GENERAL SERVICES (1760) (OFFICE OF ENERGY ASSESSMENTS)

FONTANA UNIFIED SCHOOL DISTRICT VARIOUS FACILITIES WITHIN THE DISTRICT SAN BERNARDINO COUNTY

Authority: Governmental Code Section 15814.12

4. Energy Efficient Lighting; Heating, Ventilation and Air Conditioning Improvements; Irrigation Control System Expansion; and Installation of Water Saving Devices. Energy Service Contract #6010.53

- a. Approve Preliminary Plans

\$1,157,000 funding in place—State Energy Efficiency Revenue Bond Program

\$1,157,000 total estimated project cost

\$1,157,000 to be allocated for—construction \$917,000 (\$884,000 contract, \$62,000 contingency and subtract \$29,000 in expected interest to be earned during construction), other project costs \$152,000 and A&E at \$88,000 to be allowed by the Department of Finance, State Public Works Board Energy Efficiency Revenue Bonds, as approved December 13, 1996

Withdrawn.

**UNIVERSITY OF CALIFORNIA
HASTINGS COLLEGE OF THE LAW
SAN FRANCISCO COUNTY**

Authority: Governmental Code Section 15814.12

5. Energy-Efficient Lighting, Controls and Refrigerators

- a. Approval of Energy Service Contract #6600.02 pursuant to Government Code Section 15814.15, Phase VI—Terms

\$480,000	contract amount (\$374,000 for design and construction; \$106,000 for bond overhead, cost of issuance, and contract administration)
\$780,000	in contract payments (13 equal payments of \$60,000 from August 15, 1998 to August 15, 2010)
\$816,000	Net Benefit to State over 20-year life (\$144,000 Net Benefit over contract term)

Approved.

**UNIVERSITY OF CALIFORNIA
HASTINGS COLLEGE OF THE LAW
SAN FRANCISCO COUNTY**

Authority: Governmental Code Section 15814.12

6. Energy Efficient Lighting, Motors, Controls and Refrigerators. Energy Service Contract #6600.02

a. Approve Preliminary Plans

\$374,000 funding in place – State Energy Efficiency Revenue Bond Program

\$374,000 total estimated project cost

\$374,000 to be allocated for – construction \$275,000 (\$271,000 contract, \$16,000 contingency and subtract \$12,000 in expected interest to be earned during construction), other project costs of \$72,000 and A&E at \$27,000 to be allowed by the Department of Finance, State Public Works Board Energy Efficiency Revenue Bonds, when approved on February 14, 1997

Approved.

CALIFORNIA STATE UNIVERSITIES (6610)

SAN JOSE STATE UNIVERSITY SANTA CLARA COUNTY

Authority: Chapter 162/96, Item 6610-301-0658(27)

7. Central Plant, Telecommunications and Utilities Distribution System Upgrade

a. Approve Preliminary Plans

\$1,422,000 funding in place – Higher Education Capital Outlay Bond Fund

\$25,113,000 proposed funding necessary – to be determined in a future budget

\$26,535,000 total estimated project cost

\$694,000 previously allocated for – preliminary plans

\$25,841,000 to be allocated for – working drawings \$728,000; construction \$25,113,000 (contract \$21,528,000; contingency \$1,507,000; project administration \$2,078,000); by the Department of Finance at ENR 5595

Approved.

CALIFORNIA COMMUNITY COLLEGES (6870)

CERRITOS COMMUNITY COLLEGE DISTRICT CERRITOS COLLEGE LOS ANGELES COUNTY

Authority: Chapter 162/96, Item 6870-301-0658 (4)

8. Learning Resource Center, Secondary Effects

a. Approve Preliminary Plans

\$3,819,000 funding in place -- 1996 Higher Education Capital Outlay Bond Fund

\$3,819,000 total estimated project cost

\$119,000 previously allocated for preliminary plans

\$3,700,000 to be allocated for -- working drawings \$175,000; construction \$3,525,000
(\$3,140,000 contracts, \$220,000 contingency, \$165,000 A&E/T&I) at ENR
5595

Approved.

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
CHABOT COLLEGE
ALAMEDA COUNTY**

Authority: Chapter 162/96, Item 6870-301-0658 (8)

9. Fire/Life Access Safety Corrections

a. Approve Preliminary Plans

\$885,000	funding in place -- 1996 Higher Education Capital Outlay Bond Fund
\$885,000	total estimated project cost
\$47,000	previously allocated for preliminary plans
\$838,000	to be allocated for -- working drawings \$38,000; construction \$800,000 (\$713,000 contracts, \$48,000 contingency, \$39,000 A&E/T&I) at ENR 5595

Approved.

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
CHABOT COLLEGE
ALAMEDA COUNTY**

Authority: Chapter 162/96, Item 6870-301-0658 (7)

10. Chemistry/Computer Science Renovation (Health & Safety)

a. Approve Preliminary Plans

\$507,000	funding in place -- 1996 Higher Education Capital Outlay Bond Fund
\$7,613,000	proposed funding necessary - to be determined in a future budget
\$8,120,000	total estimated project cost
\$214,000	previously allocated for preliminary plans
\$7,906,000	to be allocated for -- working drawings \$293,000; construction \$7,613,000 (\$6,757,000 contracts, \$434,000 contingency, \$279,000 A&E/T&I and \$143,000 for construction management) at ENR 5595

Approved.

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
LAS POSITAS COLLEGE
ALAMEDA COUNTY**

Authority: Chapter 162/96, Item 6870-301-0658 (10)

11. Science Center/Technical/ Fine Arts, Secondary Effects

a. Approve Preliminary Plans

\$73,000	funding in place -- 1996 Higher Education Capital Outlay Bond Fund
\$733,000	proposed funding necessary - to be determined in a future budget
\$806,000	total estimated project cost
\$24,000	previously allocated for preliminary plans
\$782,000	to be allocated for -- working drawings \$49,000; construction \$733,000 (\$607,000 contracts, \$42,000 contingency, \$84,000 A&E/T&I) at ENR 5595

Approved.

**LONG BEACH COMMUNITY COLLEGE DISTRICT
LONG BEACH CITY COLLEGE
LOS ANGELES COUNTY**

Authority: Chapter 162/96, Item 6870-301-0658 (33)

12. Science/Math Building D (Health & Safety)

a. Approve Preliminary Plans

\$1,087,000 funding in place -- 1996 Higher Education Capital Outlay Bond Fund

\$12,531,000 proposed funding necessary - to be determined in a future budget

\$13,618,000 total estimated project cost

\$410,000 previously allocated for preliminary plans

\$13,208,000 to be allocated for -- working drawings \$677,000; construction \$12,531,000
(\$10,995,000 contracts, \$770,000 contingency, \$546,000 A&E/T&I and
\$220,000 for construction management) at ENR 5595

Approved.

OTHER BUSINESS

13. Staff report on PWB budget issues

ACTION ITEMS

14. No action items

REPORTABLES

15. To be presented at meeting

Date:

Respectfully Submitted,

SHELLEY MATEO
Administrative Secretary